Joint OO-ALC & DCMA Non-conforming Parts and Material IPT

*Presented By:*
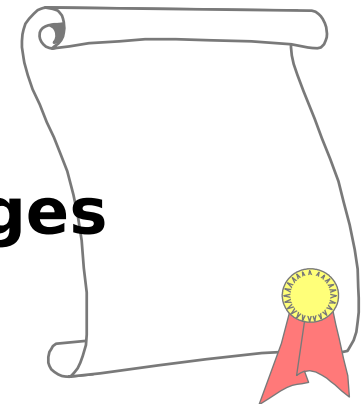
MAJ Gary Hickey, DCMA-OCT

14 April, 2000

Agenda

- **Background**

- **Integrated Product Team Forms**

- **Action Plan**

- **Investigation Methodology**

- **Initial Findings**

- **Summary**

Background

- **8 Sep 98 - Ogden sent letter to DCMA**
  - **CVP Looks at less than 1%**
  - **50% of these are nonconforming**
    - **30% usable and 20% unusable**

- **21 Sep 98 - DCMA responds**
  - **Form a IPT**
  - **Look at the "whole procurement process"**
- **23 Aug 99 - DCMA & Ogden agree to whole process**
- **17 Feb 00 - Ogden and DCMA meet to form IPT**

Whole Procurement Process

IPT Charter
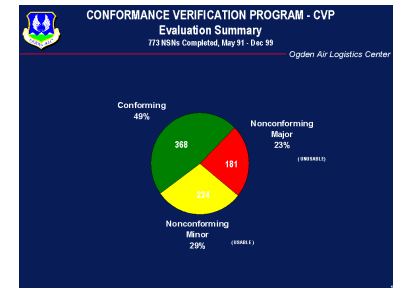
- **OO-ALC and DCMA will form an IPT to focus on the improvement of procurement processes that have contributed to an unacceptable level of nonconforming parts and material incoming to OO-ALC**

- **Conduct a thorough examination of the procurement process:**

  - **Acquisition strategy**
  - **Past Performance**
  - **Selection process**
  - **Quality of technical data packages**
  - **Quality/inspection process**
  - **Failure reporting**

IPT Members

Ogden - Rick Horne

- **Engineering Lab**
  - *Ryan Dansie*
  - *Larry Simpson*
- **Supply Chain Managers**
  - *Robert Passey*
  - *Dennis Price*
  - *Denny Mansell*
- **Quality Management Board**
- **Others as Needed**

DCMA - Gary Hickey

- **DCMD W - Larry Shields**
- **DCMD E - Alan Kurpaska**
- **LNO - Ben Jones**
- **DCMC Denver**
  - *Joe Gabaridi*
- **Others as needed**
  DLA Rep. Mike Shields

Had IPT Training

Action Plan

DCMA
Defense Contract Management Agency

17 Feb	**Tour Lab, determine scope of problem and develop approach**
29 Mar	**Develop charter and refine team members**
	Develop methodology and select items
26 Apr	**Develop check sheets, refine team members,**
	initial research on items
Apr - Jul	**Perform analysis**
Aug	**Brief findings and publish report**

Knowledge Management

- Conduct review of procurement Process
  - ❏ Acquisition strategy
  - ❏ Past Performance
  - ❏ Selection process
  - ❏ Quality of technical data packages
  - ❏ Quality/inspection process
  - ❏ Failure reporting
- Statistically select items
  - ❏ Select major non-conforming from CVP
  - ❏ Pull from open QDR list

What We Will Look At

Using Teams

Requirement Development
- SOW, Data package
- Sources
- Critical application
- Contract clauses

Acquisition Planning
- Strategy (who?)
- Market Survey

Solicitation
- Type contract
- Selection criteria
- Pre qual sources
- Set asides

We Started here

Delivery
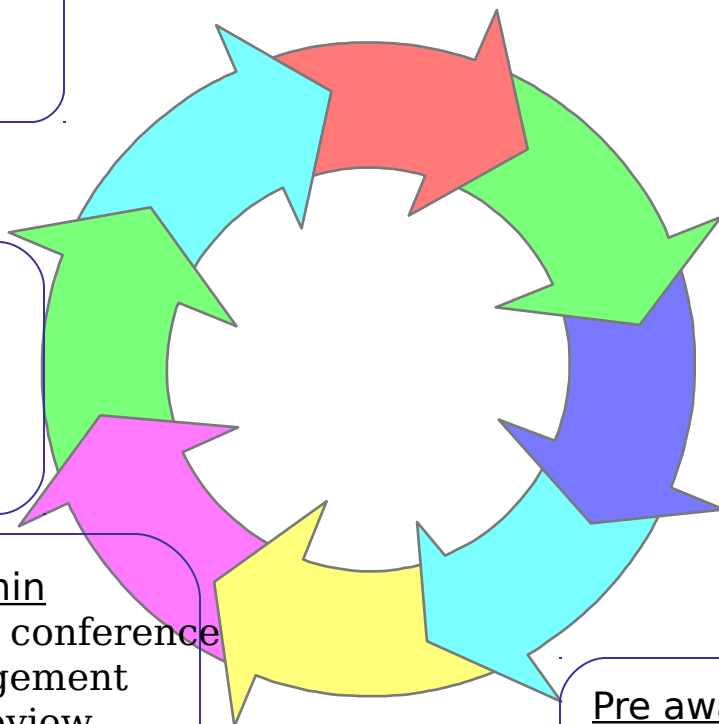- CVP
- PQDR's

Evaluate Bids
- Past Performance
- QAMS 507

Contract Admin
- Post award conference
- Risk management
- Contract review
- Surveillance plan
- QALI
- ALERTS
- Customer Interface

Pre award/Award
- Pre award survey (who)
- Point of inspection
- Vendor rating system

Statistically Selected

- **77 open QDRs found by CVP**
- **We want to have a certain level of confidence in the data we retrieve**
- **By using Nicholas L. Squeglia's book <u>Zero Acceptance Number Sampling Plans</u>**
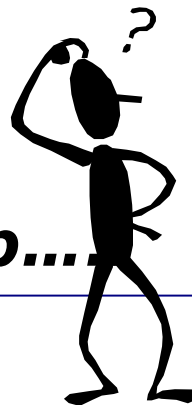- **Can obtain a 95% confidence level out of 77 if we select a sampling size of 20.**

Working 95%

DCMA
Defense Contract Management Agency

- **Quality Deficiency Report system is somewhat flawed**
- **77 open in G21: 44 Closed in our system**
- **20 open (ones we selected):**
  - *11 not in database*
  - *8 closed*
  - *4 Investigation inconclusive due to lack of exhibit*
- **20 Part Selection CAO's: 2 Unknown**
  - *> 1 Detroit   > 2 Denver*
  - *> 6 Van Nuys   > 1 Cleveland*
  - *> 4 Dallas   > 1 San Francisco*

More to follow…

Summary

- **Having fun but not done yet**
- **The process is very complex and we expect to find trends with short falls**
- **Think we will be able to fix some of the problems**
- **Will be asking for help as we investigate**
  - *It's in the charter*
  - *Thanks for the help....*

Questions?